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United States General Accounting Office  
Washington, DC 20548

Comptroller General  
of the United States

January 18, 2001

The Honorable George V. Voinovich  
Committee on Governmental Affairs  
United States Senate

Subject: Potential Questions to Elicit Nominees' Views on Agencies' Management Challenges

Dear Senator Voinovich:

This letter responds to your request for potential questions that Senate committees of jurisdiction could use to help determine the leadership and management experience and capabilities of individuals nominated to selected leadership positions in major executive branch agencies. These questions are based on the major management challenges and program risks as identified on our Transition Web site ([www.gao.gov/transition](http://www.gao.gov/transition)) and discussed in detail in our recent *Performance and Accountability and High Risk Series* (<http://www.gao.gov/pas/2001/pas01.html>). Our suggested questions are also consistent with the list of broad management-related questions that we provided at your request in August.<sup>1</sup> Enclosures I through XXII highlight the major management challenges and program risks, a list of potential questions, and a GAO contact for each agency.

These questions are intended to contribute to the diverse array of resources available to Senators as they fulfill their constitutional responsibilities to advise and consent on presidential nominations. We suggest that these questions will be most useful to the Senate and the nominees if they serve as a basis for prompting discussion—both informal and formal. We do not suggest that they be added merely as another element to what is widely regarded as an overly burdensome confirmation process. The questions cover a wide range of management-related issues in different organizations within each agency. As a result, all questions will not be relevant to all nominees.

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<sup>1</sup> Confirmation of Political Appointees: Eliciting Nominees' Views on Leadership and Management Issues (GAO/GGD-00-174, Aug. 11, 2000).

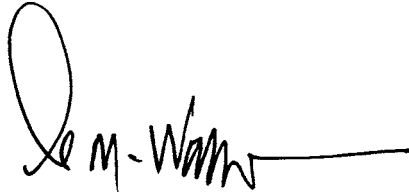
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| <b>Abstract</b><br>The U.S. Department of Agriculture (USDA) faces critical challenges in supporting the profitability and productivity of farming, protecting the environment, ensuring food safety, improving the well-being of rural America, promoting the domestic marketing and the export of food and farm products, and providing food assistance to Americans in need. USDA has taken a number of actions to address its program and management weaknesses, including actions taken to improve the farm loan program. However, there are still a number of challenges that USDA faces in carrying out its responsibilities. Congress has a key role in ensuring that USDA effectively addresses these challenges. The challenges are listed below and are discussed in more detail in the GAO Performance and Accountability Series report entitled Major Management Challenges and Program Risks: Department of Agriculture. 2 Additional information about program and management challenges at USDA and other federal agencies is available on GAOs Transition Web site at <a href="http://www.gao.gov/transition">http://www.gao.gov/transition</a> . |                           | <b>Monitoring Agency Acronym</b>                            |
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As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this letter until 30 days from its date. At that time, we will make copies available to others upon request. This letter will also be available on GAO's home page at <http://www.gao.gov>.

Sincerely yours,

A handwritten signature in black ink, appearing to read "D. M. Walker", followed by a horizontal line extending to the right.

David M. Walker  
Comptroller General  
of the United States

Enclosures - 22

cc: Senator Fred Thompson  
Senator Joseph Lieberman  
Senator Richard J. Durbin

## Department of Agriculture

The U.S. Department of Agriculture (USDA) faces critical challenges in supporting the profitability and productivity of farming, protecting the environment, ensuring food safety, improving the well-being of rural America, promoting the domestic marketing and the export of food and farm products, and providing food assistance to Americans in need. USDA has taken a number of actions to address its program and management weaknesses, including actions taken to improve the farm loan program. However, there are still a number of challenges that USDA faces in carrying out its responsibilities. Congress has a key role in ensuring that USDA effectively addresses these challenges.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Agriculture*.<sup>2</sup> Additional information about program and management challenges at USDA and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- USDA's farm loan programs remain vulnerable to loss, but high-risk areas have been addressed
- Delivery of services to farmers has improved, but challenges remain
- USDA needs to effectively and efficiently provide food assistance benefits to eligible individuals while maintaining program integrity
- Fundamental changes are needed to minimize foodborne illnesses
- USDA needs to strengthen Department-wide information security
- USDA continues to lack financial accountability over billions of dollars in assets
- The Forest Service must provide the Congress and the public with a clear understanding of what it accomplishes with appropriated funds
- Problems persist in processing discrimination complaints

### Potential Questions

1. In the private sector, a company must be customer focused to survive. While USDA has made strides in reducing and collocating its county office service centers, little has changed in how these offices serve farmers—one of USDA's main customers. What is your vision for better delivery of services to farmers in order to meet their needs in the 21<sup>st</sup> century?
2. USDA is tasked with providing billions of dollars in nutrition assistance benefits to millions of Americans. How can USDA more effectively and efficiently provide these benefits to eligible individuals while maintaining program integrity?

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<sup>2</sup> GAO-01-242, Jan. 2001.

3. It has been reported that USDA needs to improve its performance management. For example, the Forest Service faces major hurdles and needs to make performance management one of its top priorities. How are you going to provide the leadership to quickly implement a successful performance accountability system across the Department?
4. What management priority will you give information security at USDA, and how do you plan to ensure that sufficient steps are taken to strengthen and fully resolve security problems Departmentwide?
5. How would you address USDA's lack of reliable, useful, and timely financial information that has prohibited the Department from ever obtaining a "clean" opinion on its financial statements?
6. Similar to other federal agencies, USDA is experiencing human capital challenges. For example, USDA's Office of Civil Rights has experienced continuing problems relating to management turnover, reorganizations, inadequate staff and managerial expertise, and poor working relationships. Can you provide a self-assessment of your leadership capabilities for effectively overcoming these problems to produce a high performing workforce?

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## Department of Commerce

The Department of Commerce faces critical challenges in achieving its goals of promoting job creation and improving living standards for all Americans through economic growth, technological competitiveness, and sustainable development. Although Commerce has achieved many successes—such as completing the 2000 decennial census and modernizing its weather systems—major challenges remain that will require sustained attention by Commerce and Congress.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Commerce*.<sup>3</sup> Additional information about program and management challenges at Commerce and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Increase the access of U. S. businesses to international markets
- Ensure that the United States is secure from the proliferation of dual-use commodities and chemical weapons
- Ensure that weather forecasts and severe weather warnings are accurate and timely
- Improve the economy in distressed areas
- Address other challenges to building a high-performing organization

### Potential Questions

1. GAO reported that the ability of Commerce and other trade agencies to monitor and enforce trade agreements was limited because the agencies (1) lacked sufficient numbers of experienced staff with the right expertise; (2) did not always get needed support from other agencies; and (3) sometimes had difficulty obtaining input from the private sector. What steps would you take to improve Commerce's monitoring and enforcement efforts?
2. Given that at least 17 federal agencies are involved in monitoring and enforcing trade agreements, what actions would you take to improve policy coordination to ensure foreign compliance with those agreements? What do you see as Commerce's unique role in monitoring compliance with trade agreements, and how does it differ from that of the Office of the U.S. Trade Representative? How would you promote closer coordination between the two agencies, which has been problematic in the past?
3. The Bureau of Export Administration (BXA) has streamlined export controls and reduced the volume of license applications to be reviewed. Given these changes,

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<sup>3</sup> GAO-01-243, Jan. 2001.

what is the appropriate level of resources that Commerce should apply to enforcing U.S. export laws and regulations? If you do not anticipate a decrease in the workload and funding, explain why.

4. Exporters are permitted to determine for themselves whether they need to apply for a license to export certain sensitive technologies without ever notifying BXA. What steps will you take to help BXA ensure that its law enforcement program is protecting such dual-use commodities from being used for proliferation purposes?
5. The interagency process used to evaluate export license requests, consider purchases of U.S. companies with classified contract by foreign companies, and assess other areas of national security concerns, often reflects discrepancies between the objectives of U.S. businesses and the U.S. government. What support do you believe the interagency process deserves? How do you plan to use it to satisfy your mission?
6. In recent years, the National Weather Service (NWS) has developed several new systems under its modernization program. What approaches would you take to ensure that NWS has the capability to provide accurate and timely weather warnings?
7. In September 2000, GAO reported that at least 10 agencies administer programs that are intended to assist distressed communities. Congress has urged the Economic Development Administration (EDA) to aggressively pursue efforts to increase the efficiency of the federal response to distressed communities by working with other agencies. What changes will you implement to ensure that EDA works with other federal agencies to increase the efficiency of the federal response to distressed communities?
8. While Commerce received an unqualified opinion on all of its financial statements for fiscal year 1999, Commerce's Chief Financial Officer noted that a diligent effort is needed to continue to receive unqualified audit opinions on future Commerce financial statements. In particular, one of the remaining material weaknesses is the lack of a single, integrated financial system. What steps do you plan to take to ensure that Commerce's financial management progress is sustained?
9. What are your views on the appropriate roles of the Bureau of the Census and the Department of Commerce in planning for the next census? How can Commerce best strike a balance between the Department's need to provide appropriate political leadership and hold the Bureau accountable for results on the one hand, and the Bureau's need for independence on the other?

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## Department of Defense

Despite the successes of U.S. forces in the Persian Gulf, Bosnia, and Kosovo, many of the key business processes that are critical to achieving the Department of Defense's (DOD) mission are inefficient and ineffective. If these and related support problems are not addressed, inefficiencies will continue to make the cost of carrying out assigned missions unnecessarily high and, more important, will increase the risk associated with those missions. To its credit, DOD has initiated a number of Departmentwide reform initiatives and other actions to improve its key business processes in such areas as financial and information management, weapon systems acquisitions, and logistics reengineering. Although these initiatives have produced some positive results, much more remains to be done before the reform process is successfully completed.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Defense*.<sup>4</sup> Additional information about program and management challenges at DOD and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Developing strategic plans that lead to desired mission outcomes
- Hiring, supporting, and retaining military and civilian personnel with the skills to meet mission needs
- Establishing financial management operations that provide reliable information and foster accountability
- Effectively managing information technology investments
- Reforming acquisition processes while meeting military needs
- Improving processes and controls to reduce contract risk
- Creating an efficient and responsive support infrastructure
- Providing logistics support that is economical and responsive

### Potential Questions

1. What do you believe are the main issues to consider in the upcoming Quadrennial Defense Review to improve its usefulness as a strategic planning tool, and what is needed to ensure that the review provides specific solutions to address the strategy-resource mismatch?
2. As you know, the Government Performance and Results Act (GPRA) provides a framework for DOD and other federal agencies to achieve greater accountability in their programs and operations. How do you intend to ensure that the principles of this law are implemented within DOD?

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<sup>4</sup> GAO-01-244, Jan. 2001.

3. GAO has noted that DOD's strategic plan is not adequately tied to its mission outcomes, which is essential for DOD to achieve needed reforms. Also, GAO has reported that measures in DOD's performance plan often have not addressed a cost-based efficiency aspect of performance, making it difficult to fully assess DOD's efficiency and effectiveness. How do you propose to address these inefficiencies?
4. When the All-Volunteer Force was still in its infancy, it was not clear at that time whether it would succeed in providing adequate manpower for our military services. Recently, several of the services have experienced increased difficulties in recruiting and retaining the active-duty personnel they need. How do you see the role of the Office of the Secretary of Defense and each of the military departments in dealing with the issues of recruiting shortfalls and high early attrition among first-term personnel?
5. The DOD workforce is not only becoming smaller, it is also becoming older. What would you see as the main solutions to revitalize DOD's civilian workforce?
6. Last year, DOD reported that it did not expect to have the necessary systems in place to be able to prepare financial statements that could comply with generally accepted accounting principles before fiscal year 2003. How does your background and experience enable you to address the Department's long-standing and pervasive financial management problems? What are your plans for this important area?
7. What specific actions do you envision taking to ensure that the Chief Information Officers (CIO) effectively implement vital Clinger-Cohen Act provisions, such as use of enterprise information technology (IT) architectures and employment of effective IT investment decisionmaking? What are your plans for having the CIOs provide concentrated and directed attention to such pressing IT issues as information security and electronic government?
8. Many of the same problems in weapon system acquisitions that have existed for decades—cost growth, schedule slippage, and performance shortfalls—exist today. What do you see as the root causes for such persistent problems? What would you propose as solutions?
9. There have been a number of promising initiatives undertaken in the last 5 years to improve the outcomes of weapon system programs, including evolutionary acquisitions, application of best commercial practices, and greater maturation of technology before it is applied to a weapon system. How do you plan to support these and other acquisition reforms?
10. The recent experiences of the MV-22 Osprey aircraft program reaffirm enduring concerns that the pressures and incentives in DOD's weapon acquisition process encourage flawed practices. Clearly, incentives encourage making decisions to proceed with weapons before requisite knowledge is available. Although the MV-22's experiences are dramatic, they are not unprecedented—the F-22 fighter, Army Cargo

Trailer, and missile defense programs have all exhibited effects of similar pressures. How would you support the use of best commercial practices as a way to change these incentives and improve weapon system programs?

11. DOD went through 4 rounds of base realignment and closure (BRAC) between 1988 and 1995, but believes that significant excess infrastructure continues to exist, and has sought legislative authority in recent years for additional base closure rounds. However, the Congress, because of concerns over the amount of savings likely to be realized, and concerns about how the last Administration handled some closure decisions in the 1995 round, has been unwilling to authorize additional closure rounds. (a) Do you believe that DOD continues to have excess bases? If so, what options do you see for reducing that excess infrastructure? (b) Will the Bush Administration be proposing legislation for additional BRAC rounds? If so, what changes to the process do you envision to ensure the credibility of decisionmaking? (c) What assurance do you have that significant savings would accrue to the Department from any additional BRAC rounds?
12. DOD has undergone significant downsizing over the past 12 years; however, reductions in support infrastructure and business processes have not been nearly as great as the reductions in combat forces. What ideas do you have about how to increase the operating efficiencies on the support side of the house in DOD. Could you share with us your vision for reforming DOD's business processes and support infrastructure?
13. Large inventories have been a problem for DOD for decades. Are you satisfied with actions that DOD is taking and plans to take to reduce overall inventory levels? In your judgment, how can DOD be more business-like in its approach to managing these large inventories and still maintain the required readiness posture?

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### Department of Education

The Department of Education faces critical challenges in achieving its goals of ensuring access to postsecondary education, helping all children reach challenging academic standards, building a solid foundation for learning for all children, and becoming a high-performing organization. Although Education has made much progress in improving its management and accountability systems, major challenges remain. Many of these challenges are long-standing and will require sustained attention by Education and Congress. GAO has designated one particularly critical area—student financial aid—as high risk for vulnerability to waste, fraud, error, and mismanagement.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Education*.<sup>5</sup> Additional information about program and management challenges at Education and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

#### Program and Management Challenges

- Ensure access to postsecondary education while reducing the vulnerability of student aid programs to fraud, waste, error, and mismanagement
- Encourage states to improve performance information and upgrade federal evaluations used to assess how well all children reach challenging academic standards
- Promote coordination with other federal agencies and school districts to help build a solid foundation of learning for all children
- Improve financial management to help build a high-performing agency

#### Potential Questions

1. How do you envision your role in resolving the long-standing information and internal control problems of the federal student financial aid programs?
2. Based on your professional experiences, how would you address the management challenge of having to administer student financial aid programs that operate independently with different rules, processes, and data systems and involve millions of students, thousands of schools, and thousands of lenders, guaranty agencies, third-party servicers, and contractors?
3. Based on your experiences, what changes do you believe are needed to increase access to federal student financial aid, particularly for those who need aid the most?

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<sup>5</sup> GAO-01-245, Jan. 2001.

4. Education must continually balance states' and local agencies' need for program flexibility with its own need for information about these programs to ensure accountability. What would you do to improve the ability of the Department to provide a national picture using local information? Specifically, would what you do to facilitate the exchange of information among states and improve the quality, timeliness, and specificity of state assessment data?
5. What are the most important considerations in constructing a research agenda for the Department? How would you go about determining that agenda? Do you think that the research and evaluation function in Education ought to continue to be in Education or should it be separated out to an independent or quasi-independent agency?
6. Education has to coordinate with other agencies to help ensure that children receive needed services. In early education, for example, the Department of Health and Human Services funds \$8 billion of the \$9 billion federal investment in early education and child care. How would you go about determining whether federal early education programs should continue to be organized in this manner or if all of the programs should be administered by Education?
7. GAO found that coordination among agencies, schools, and the federal government is critical to ensure that children of migrant agricultural workers—many of whom are at high risk of educational failure and need services from multiple agencies—continue to receive appropriate services. What role do you see the Department having in meeting the needs of these children?
8. Most federal funds for elementary and secondary education are targeted to disadvantaged children or for specific purposes like educational technology or teacher training. Should this continue or should federal education funds be given to states in the form of block grants?

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## Department of Energy

The Department of Energy (DOE) faces critical challenges to maintaining the nation's nuclear weapons capabilities, cleaning up the contamination resulting from previous nuclear weapons activities, fostering a reliable and sustainable energy system, promoting U.S. leadership in science and technology, and ensuring the safety and security of nuclear weapons materials and information. DOE has improved its management of these issues, but major challenges remain. Many of these challenges are long-standing and will require sustained attention by DOE and Congress. These challenges include a particularly critical area, which GAO has designated as high risk for being vulnerable to waste, fraud, abuse, and mismanagement—contract management, which encompasses contract administration and project management.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Energy*.<sup>6</sup> Additional information about program and management challenges at DOE and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Address project management, planning, and other issues to maintain nuclear weapons capabilities
- Sustain management attention to correct pervasive weaknesses in security controls
- Improve priority-setting of nonproliferation programs and coordination among programs in the former Soviet Union
- Improve management tools and integration of activities to clean up radioactive and hazardous wastes
- Resolve problems in contract management that place it at high risk for fraud, waste, abuse, and mismanagement
- Improve financial management

### Potential Questions

1. Several studies have pointed to DOE's need to deal comprehensively with the challenge of recruiting and training the next generation of technical and managerial staff before this need reaches crisis proportions by the end of the next decade as experienced weapons designers and technicians reach or pass retirement age. How will you ensure that new employees are hired to bolster the expertise needed to manage existing projects and be trained to capitalize on the knowledge of existing workers before they leave their current positions?

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<sup>6</sup> GAO-01-246, Jan. 2001.

2. Over the past several years, reports to independent commissions, congressional committees, the intelligence community, and others have identified serious and pervasive weaknesses in the security programs at DOE. The problems, in part, stem from the culture in DOE of giving security a low priority. Further, the national laboratories have been increasingly used as centers for nondefense scientific research in certain areas, such as biomedicine, high performance computing, and laser technology as well as DOE's national defense missions. How will you raise the priority given to security at DOE? How will you strike a balance between the security necessary to safeguard our national interests and the openness necessary for advancements in science and technology?
3. GAO, DOE's Inspector General, and others have raised serious concerns about contract management at DOE. Cost and schedule overruns on major projects, inadequate oversight of contracts, and an inability to hold contractors accountable are just some of the issues raised. What specific steps do you plan to take to improve DOE's ability to oversee and manage contractors?
4. To successfully lead an organization into the future, a leader must be able to create and share a vision that inspires people to follow. Many outside experts and past congressional committees have reported on DOE's inability to manage its widely diverse missions in an effective and efficient manner. As a result, some have called for eliminating the Department altogether, arguing that the country would be better served if DOE's missions were privatized, eliminated, or dispersed to other federal agencies. For example, nuclear weapons activities could shift to the Department of Defense (DOD), and cleanup activities to the Environmental Protection Agency. Given the diverse missions of DOE, what specific steps do you plan to take to successfully create a vision for the Department? How do you plan to ensure that the entire Department, including contractors, have a common understanding of the vision to ensure that it is accomplished?
5. DOE is managing an environmental cleanup effort across this nation that is now estimated to cost about \$200 billion. Often in the past, DOE has been criticized for major cost overruns and failures to meet timetables for cleaning up large volumes of radioactive and hazardous wastes. Describe some examples of your personal leadership skills that will be brought to bear to help your employees bring such projects to completion.

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### Department of Health and Human Services

The Department of Health and Human Services (HHS), with a \$376 billion budget, presents one of the more massive and complex management and program-related challenges in the federal government. Although HHS has taken steps to address these issues, many difficult and long-standing management challenges remain that will require sustained attention by the Department and Congress.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Health and Human Services*.<sup>7</sup> Additional information about program and management challenges at HHS and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

#### Program and Management Challenges

- Provide current and future generations with a well-designed and well-administered Medicare program
- Better safeguard the integrity of the Medicare program
- Improve oversight of nursing homes so that residents receive quality care
- Ensure the safety and efficacy of medical products
- Enhance the economic independence and well-being of children and families

#### Potential Questions

1. Leadership of a major department presents both policy and management challenges. What areas of HHS management do you consider most critical to operational success, and what priorities are you planning to set to strengthen the management of HHS?
2. Ensuring the integrity of Medicare Program payments has been in the forefront of concern for Congress, HHS, and GAO. The Health Care Financing Administration (HCFA) has taken a number of steps to strengthen Medicare Program integrity, but the HHS Office of Inspector General has continued to estimate that billions of dollars are lost each year in improper payments. What steps do you think can be taken to control improper payments?
3. HHS is to be commended for having an unqualified or "clean" opinion on its fiscal year 1999 financial audit, but like many other agencies, its operating divisions needed to make heroic efforts to achieve this because of underlying financial management weaknesses. These weaknesses include nonintegrated financial management information systems, inadequate reconciliation procedures, and weak security over systems information. Do you have particular approaches in mind that could help to address these issues?

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<sup>7</sup> GAO-01-247, Jan. 2001.



4. As the widespread use of information technology continues, what areas of our current health care delivery system do you believe can best capitalize on more effective use of new technologies? In addition, how do you plan to use new and existing information technology capabilities to more effectively and efficiently manage HHS' operations and programs? For example, what priorities are you planning to set for modernizing HCFA's information infrastructure and balancing those against other Departmental funding needs?
5. By providing services to Medicare and Medicaid beneficiaries, health care providers subject themselves to a certain level of additional regulatory scrutiny. Some providers believe the added regulatory burden is excessive and detrimental to their ability to focus on providing appropriate health care. At the same time, federal and state agencies and private-sector health care organizations are continuing to increase efforts to ensure proper payment. Do you have any particular approaches in mind on how to minimize the effect of regulatory burdens that health care providers endure, while at the same time providing assurance and accountability that federal health care dollars are spent appropriately?
6. HHS has promoted the Medicare + Choice Program to elder Americans in order to provide them with additional choice and flexibility regarding the nature and scope of Medicare benefits they receive. Yet, recent growth in Medicare beneficiaries electing to participate in the Medicare + Choice Program has slowed, and the number of organizations willing to provide Medicare benefits under this program has declined. What are your views on the long-term role of providing seniors with a managed care option? To better secure the viability of this program, what measures do you think would be most effective in attracting additional Managed Care Organization providers and beneficiaries?
7. GAO has defined human capital as a governmentwide high risk area because of a pattern of human capital shortcomings across the federal government that has eroded mission capabilities. This issue is affecting HHS—for example, GAO has identified shortages in staff with adequate expertise in managed care, information technology, and financial management. What do you think are the steps that will need to be taken to address human capital shortfalls at HHS?
8. Medicaid is partially financed by the federal government, but administered by the states under federal guidance. In certain instances, such as Medicaid billing for services provided in schools, some states have engaged in practices that some may find inappropriate. Are there ways in which the states' experiences could guide HHS in the best approach to developing more effective oversight and guidance?

9. The 1996 welfare reform legislation that created Temporary Assistance for Needy Families block grants established a time-limited system of cash aid that promotes work for needy adults with children. What do you see as the role for HHS in ensuring that states are held accountable for meeting federal goals while having sufficient flexibility to meet state and local needs?

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### Department of Housing and Urban Development

The Department of Housing and Urban Development (HUD) faces critical management challenges in achieving its goals of encouraging homeownership and managing about \$508 billion in insured mortgages, making housing affordable for low-income people, and revitalizing localities. In 1994, we initially designated HUD as high risk because several major challenges placed the integrity and accountability of HUD's programs at high risk. HUD is making significant changes and has made credible progress in laying the framework for improving the way the Department is managed; however, several major challenges remain.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Housing and Urban Development*.<sup>8</sup> Additional information about program and management challenges at HUD and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

#### Program and Management Challenges

- Continued improvements needed to reduce HUD's single-family insurance risk
- Continued improvements needed to ensure HUD's rental housing assistance programs are used effectively and efficiently
- Resolution needed for a range of information and financial management systems and human capital issues

#### Potential Questions

1. Since 1994, GAO has designated a variety of major program areas at HUD as high risk because of management challenges it faces related to internal controls weaknesses, information and financial management systems problems, organizational deficiencies, and staffing problems. To address its management concerns, HUD in 1997 implemented its 2020 Management Reform Plan, including a reorganization that is now substantially complete. Please describe how your background and experience prepares you to deal with an agency like HUD that has experienced major criticism and has struggled for several years to both improve its operations and restore the confidence of the public and Congress in its abilities to be a results-producing organization.
2. To accomplish its missions, HUD relies on the performance and integrity of thousands of private and government groups, such as mortgage lenders, to administer its programs. What do you believe is the key to effective HUD oversight under such circumstances, given HUD's limited staffing?

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<sup>8</sup> GAO-01-248, Jan. 2001.

3. A key component of HUD's reform efforts was the establishment of the Real Estate Assessment Center that has completed the first-ever physical inspection of HUD's multifamily and public housing projects. Do you plan to continue these physical inspections?
4. Concerning those HUD reform efforts determined to be effective, what must be done to ensure that they are sustained over the long run?
5. Congress, through various management performance laws, has expressed an abiding interest in agencies' improving their information technology. GAO, in its performance and accountability report on HUD, notes that HUD has made progress in defining its plans and is beginning to address this issue, but has also experienced difficulties in developing and implementing viable information and financial management systems. What will be your priorities in resolving HUD's information and financial management systems problems?
6. GAO has reported that the government's human capital management has emerged as the "missing link" in the statutory and management framework that Congress and the executive branch have established to provide for a more businesslike and results-oriented federal government. GAO has also reported that, like other federal agencies, HUD has experienced human capital problems, including inexperienced and insufficient staff. Also, HUD has experienced substantial downsizing and restructuring over the last several years and, like other federal agencies, now has a workforce with a high percentage of employees nearing retirement and a limited ability to recruit new staff. What is your vision of human capital management and the environment you believe needs to be created at HUD?
7. HUD, like other federal agencies, is in the third year of a 5 year strategic plan, as required by the Government Performance and Results Act. The Department recently submitted its updated strategic plan to Congress for fiscal years 2000 through 2006 that discusses goals and strategies for achieving HUD's missions. Please discuss how you envision achieving HUD's strategic goals with the existing performance management framework if you assume leadership at HUD.
8. As you know, HUD is implementing a new process to improve its estimation of resource needs and allocation of staff. However, before it began its staffing and allocation process, HUD created the position of Community Builder to provide hands-on service and outreach to communities. HUD currently has over 600 Community Builders. Does the Department intend, as part of its staffing allocation process, to compare the costs and benefits of Community Builders to determine whether the benefits are worth the costs of hiring and training them as suggested by GAO?

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### Department of the Interior

The overarching challenge that Interior faces is striking a balance between its two basic mandates—to protect and conserve resources for the benefit of future generations while accommodating demands for the greater use and consumption of those resources. Some of these challenges are long-standing and will require continued attention from the Department and Congress.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Interior*.<sup>9</sup> Additional information about program and management challenges at Interior and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

#### Program and Management Challenges

- Improve management of national parks
- Address persistent management problems in Indian trust programs
- Improve management of ecosystem restoration efforts
- Address challenges in managing an expanding land base

#### Potential Questions

1. For years, Congress has, through the authorization and appropriations process, supported various Interior programs and initiatives to protect and preserve the nation's precious natural resources and our endangered wildlife and plant species. However, it is unclear what all these programs and funds have achieved to date. What are your thoughts and views on how the Government Performance and Results Act could be better used to establish plans, goals, and performance measures that would give Congress a better understanding of the progress Interior is making in these programs and initiatives, and whether it is getting the results it anticipated?
2. Over the years, there have been numerous concerns about financial management and internal control problems in Interior, particularly with management of the Indian Trust Funds. How do you plan to instill a priority and a sense of urgency in Interior to strengthen its performance in this area?
3. Over the years, Interior has expended millions of dollars in computer hardware and software to establish systems that would provide desired and needed financial and program data and information. However, most of these efforts have not produced the intended results. For example, many program areas lack data on the condition of the resources or the extent to which maintenance problems exist. Without this information, the agency cannot identify priority needs or target programmatic

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<sup>9</sup> GAO-01-249, Jan. 2001.

actions, and Congress cannot legislate needed programs or appropriate needed funds. Based on your experience, how would you go about strengthening the capabilities of Interior's management information systems?

4. The federal government's workforce has undergone significant downsizing in the past several years, and with the current tight labor market, it is becoming increasingly difficult to attract and retain talent. The problem is compounded at Interior because the agency has an aging workforce and some of its positions, such as fire fighters, require special skills and abilities that take years to train and develop. How would you work, within current rules, to attract and retain individuals with the experience, education, and skills needed by your agency?
5. High-performance organizations have a performance culture that effectively involves and empowers employees to improve operational and program performance while ensuring accountability and fairness for all employees. Interior operates in a decentralized environment, allowing the majority of planning and management decisions to be made by managers assigned to parks and other units. Describe your experience of providing management and leadership in a decentralized organization. How would you balance the need to provide discretion to local managers with ensuring that they are accountable for achieving Departmentwide goals and objectives?

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## Department of Justice

The Department of Justice faces critical challenges in meeting its mission to enforce laws in the public interest and protect the public from violence and criminal activity, such as drug smuggling and acts of terrorism. Although Justice has achieved many successes in improving the nation's justice system, major challenges remain. Some of the challenges are long-standing and will require sustained attention by Justice and Congress.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Justice*.<sup>10</sup> Additional information about program and management challenges at Justice and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Improve the enforcement of immigration laws and provision of immigration and naturalization services
- Better manage programs designed to support state and local efforts to reduce crime
- Develop measurable performance targets to help the Drug Enforcement Administration (DEA) determine its progress in reducing the availability of illegal drugs
- Achieve excellence in financial management, including, but not limited to, a Departmentwide unqualified opinion for fiscal year 2000 and beyond
- Improve the management and accountability of Justice's asset forfeiture program

### Potential Questions

1. The supply of illegal drugs remain a major national problem estimated to cost society about \$100 billion annually. As the lead drug enforcement agency, DEA faces challenges related to measuring its progress in reducing the availability of illegal drugs. GAO recommended that DEA develop measurable performance targets for its programs and initiatives that are consistent with those adopted for the National Strategy. What would you see as some specific enforcement goals, and what factors would you consider in measuring progress towards those goals?
2. The Departments of Justice and the Treasury continue to operate two similar, but separate seized asset management and disposal programs. Currently, the Departments are studying their programs' functions and processes to identify areas of duplication and to assess opportunities for efficiency gains through shared resources

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<sup>10</sup> GAO-01-250, Jan. 2001.

and activities. How will you ensure that identified opportunities for efficiency gains are fully integrated into each program's functions and processes?

3. The Immigration and Naturalization Services' (INS) mission involves carrying out two primary functions. One is an enforcement function that involves preventing aliens from entering the United States illegally and removing aliens who succeed in doing so. The other is a service function that involves providing services or benefits to facilitate entry, residence, employment, and naturalization of legal immigrants. Several critics have concluded that mission overload has impeded INS from succeeding at either of its primary functions and that INS' service and enforcement functions should be separated in order to better administer immigration law. There have been several proposals to fundamentally restructure INS. What is your view of how the federal immigration function should be organized in order to effectively and efficiently administer the immigration laws?
4. Although Congress has more than doubled INS' budget and staffing levels since 1993, INS has had ongoing problems both managing its programs and achieving results. For example, INS has clamped down in certain locations, such as San Diego and El Paso, but instead of deterring illegal immigration, these efforts seem to have simply shifted the illegal traffic to areas such as El Centro, California, and Yuma Arizona. How would your experiences help to improve INS' border enforcement?
5. INS favors releasing aliens from detention who arrive with fraudulent, improper, or no documents if an INS asylum officer determines that they have a credible fear of persecution or torture and do not pose a risk of flight or danger to the community. Between April 1, 1997, and September 30, 1999, of the 2,351 aliens who were released and subsequently received an immigration judge's decision regarding their claim of persecution, 40 percent did not appear for their removal hearing. How would you manage the release of aliens in cases when an asylum officer determined the aliens to have a credible fear of persecution?
6. Recent GAO reviews have identified several weaknesses in INS' management of its information technology (IT) resources. Specifically, GAO reported that INS' lack of an enterprise architecture and defined and disciplined processes to select, control, and evaluate its IT investments hampers INS' ability to know whether it is making the right investment decisions and whether it has selected the right mix of investments to best meet its overall mission and priorities. As a result, GAO recommended that the Commissioner of INS limit requests for future appropriations to efforts that (1) support ongoing operations and maintenance of existing systems, (2) are small and represent low technical risk and can be delivered in a short period of time, (3) are congressionally mandated, or (4) support efforts to develop an enterprise architecture and implement IT investment management processes. What are your plans for addressing this recommendation?
7. The Justice Department's Office of Justice Programs, Office of Community Oriented Policing Services, and Weed and Seed Programs provide significant federal dollars in grants to supplement local community crime fighting efforts. While each program



contributes in various ways to achieve Justice's goals to assist local communities, Justice's current performance management system does not clearly explain the nature and extent of each program's contribution. What actions would you take to (1) develop performance measures that track program outcomes, (2) develop criteria to determine when to reduce or withdraw program funding, and (3) improve program monitoring to ensure that local communities meet grant requirements?

8. Justice continues to face many challenges in its ongoing efforts to improve the accuracy and reliability of its financial and information management systems and correct internal control weaknesses. Describe your role in addressing these challenges.
9. The financial management systems at several of Justice's bureaus do not meet federal financial management systems requirements and cannot provide reliable financial information for managing day-to-day operations and holding managers accountable. What will you do to help Justice implement effective financial management systems throughout the agency to improve accountability?

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## Department of Labor

The Department of Labor faces important challenges in achieving its goals of promoting the welfare and economic security of America's more than 100 million workers and helping to ensure that the workplaces of 10 million employers are free from dangerous hazards. Labor has taken action to address many of these challenges. However, additional effort is needed and is especially critical given the context in which Labor operates—a rapidly changing workforce and work environment; shared program responsibility with numerous state organizations and as many as 14 federal entities; and a decentralized management structure that includes 22 agencies, more than 1,000 field offices, and a vast array of departmental responsibilities. In this context, GAO's work has shown that Labor faces several key challenges in achieving its goals.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Labor*.<sup>11</sup> Additional information about program and management challenges at Labor and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Increasing the employment and earnings of America's workforce
- Protecting the benefits of workers
- Fostering safe and healthy workplaces

### Potential Questions

1. The Department of Labor is essentially a “holding company” that has numerous missions, activities, and organizations. For years, Labor has struggled with managing a decentralized structure, while at the same time trying to ensure that overall Departmental goals are met. What experience have you had in managing large, diverse organizations, and what do you believe is the key to managing such an organization?
2. For years, Labor and Congress have discussed how Labor can achieve efficient customer service—that is, provide the necessary services or protections without unduly burdening employers or states. In some areas, we have made great strides, while we continue to struggle in others. What are your ideas about how to better meet client needs while not burdening employers in key areas, such as providing job training, protecting wages and working conditions, and providing pension and retirement benefits?

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<sup>11</sup> GAO-01-251, Jan. 2001.

3. GAO, Labor's Inspector General (IG), and others have continued to raise concerns that the Department is not updating its programs and pertinent laws to keep up with changes in the workforce, employer and employee practices, and the environment. In your view, what are the implications of these changes for the Department's programs, specifically for job training, wages and working conditions, and pensions, and how do you believe the Department should be responding?
4. GAO, Labor's IG, and others have raised concerns about the Department's development and use of data and performance measures; in short, for many job training and worker protection programs, the Department really does not know how well its programs are working. What experience have you had developing quality or outcome measures, and how do you plan to apply your experience to the Department to ensure that it has the proper data to assess its performance?
5. Labor must coordinate with a myriad of federal and state agencies to conduct just about every function for which it is responsible, from job training to worker protection to pension and retirement benefits. However, GAO and others have noted on several occasions that the Department often does not coordinate with other entities, leading to program fragmentation, duplication, client frustration or burden, or possibly weakened worker protection. What experience do you have in managing the coordination of multiple entities for a common goal, and how will you hold managers accountable for properly coordinating these activities?

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## Department of State

The Department of State faces a number of significant performance and accountability challenges as it strives to create a more secure, prosperous, and democratic world that will benefit the American people at home and abroad. These challenges cover a wide spectrum of U.S. government operations around the world. Some of these long-standing challenges will take years to address. Complicating the successful achievement of its objectives is that State must deal with the multiple and often competing intentions and interests of other agencies, other governments, public opinion, and Congress as well as the availability of resources.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of State*.<sup>12</sup> Additional information about program and management challenges at State and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Improve the security and maintenance of U.S. facilities overseas
- Help decrease the level of illegal drugs entering the United States
- Address the threats illegal immigration continues to pose to Americans at home
- Address additional challenges to building a high-performing organization

### Potential Questions

1. In recent years, State has had several serious lapses in internal security resulting in the loss of top secret and higher level classified information. What steps do you believe should be taken to improve security at the Department?
2. State has identified over 180 overseas facilities as being vulnerable to terrorist attack and has indicated that about \$15 billion is needed to replace its vulnerable facilities. In addition, the Department has extensive building maintenance needs throughout the world that have been identified by the Overseas Presence Advisory Panel. What are your views on how quickly we can expect substantial progress?
3. Presently, over 50,000 American, foreign service national, and contract employees work at U.S. facilities. A key challenge directly linked to the overseas security threat and the cost of overseas operations is the U.S. overseas presence. How do you think the U.S. overseas presence should be modified to address security, operational, and/or foreign policy interests? Do you think there are opportunities to reduce overseas staffing at some posts to reduce costs and security vulnerabilities?

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<sup>12</sup> GAO-01-252, Jan. 2001.

4. State issues several million visa applications annually and a number of consular posts are overwhelmed by the volume of applicants. Moreover, the process has been vulnerable to fraud and weak controls. What are your views about how to improve the visa process in a way that protects both U.S. and applicants' interests?
5. A recent study by the Stimson Center on management of foreign affairs made far-reaching recommendations concerning government reforms, embassy restructuring, information technology, and accessing the private sector. For example, the study recommended the establishment of a single foreign service and changes in the federal budget process in foreign affairs. Could you outline your views on the study's recommendations, and what it might take to implement them?
6. What are your views of the effectiveness of the "up or out" philosophy in the foreign service as a human capital approach?

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## Department of Transportation

The Department of Transportation (DOT) faces critical challenges in achieving its goals of ensuring the safe and efficient movement of people and goods and in making cost-effective investments in the nation's transportation infrastructure, including its highways, transit systems, airports, railways, ports, and waterways. Although DOT has achieved many successes in improving the nation's transportation systems, major challenges remain. Many of these challenges are long-standing and will require sustained attention by DOT and Congress.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Transportation*.<sup>13</sup> Additional information about program and management challenges at DOT and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Improve the safety and security of air, highway, and pipeline transportation
- Enhance the management of aviation and Coast Guard acquisitions and obsolete ship disposal to maximize investment of public funds
- Increase the accountability for financial management activities
- Improve the oversight of highway and transit projects to provide maximum transportation services for the federal dollars invested
- Strengthen the financial condition of Amtrak
- Enhance competition and consumer protection in aviation and freight rail industries to ensure reasonable fares, rates, and service

### Potential Questions

1. While DOT has identified safety of the nation's transportation system as its top priority, its performance has been lackluster. The goals DOT set for reducing aviation accidents and incidents have not been met, the number of annual truck accidents has failed to decrease, and the number of pipeline accidents has increased. What steps would you direct DOT to take to deliver results in improving transportation safety?
2. GAO reports have shown that DOT has struggled to implement and oversee security services in aviation. For example, security screeners at airports have had difficulty detecting dangerous objects, and the Federal Aviation Administration (FAA) has not followed its security procedures to protect the integrity of its air traffic control systems. What changes are needed at DOT to guarantee the security of the nation's air travelers?

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<sup>13</sup> GAO-01-253, Jan. 2001.

3. GAO has designated FAA's effort to modernize its air traffic control system as a high-risk information technology initiative since 1995 because of its size, cost, complexity, and history of problems. This program, expected to cost \$45 billion by the time it is finished, has generally been behind schedule and over budget. Yet, modernizing the air traffic control system is central to improving the capacity and operations of the nation's air travel and fostering aviation safety. What are the first actions you would take to turn this program around?
4. GAO characterized financial management at the FAA as a high-risk program beginning in 1999 because of long-standing accounting and financial management problems. FAA lacks adequate systems and procedures to report its costs or to account for its property and equipment. As a result, FAA lacks the information it needs, for example, to allocate resources within the agency. GAO also found DOT as a whole suffered from some of the same problems. What efforts are needed to assure that DOT, and in particular FAA, deliver on their efforts to improve their financial management systems?
5. Besides its project to modernize the air traffic control system, DOT acquires and manages other significant and costly assets. For example, the Coast Guard is planning to replace all of its ships and aircraft, at a potential cost of \$10 billion over 20 years, and to request funds for the project before completing its plans. GAO has expressed concern over the management controls for this project and the unique and potentially risky approach to contracting for procurement of the equipment. For this and other large capital acquisitions, how can DOT avoid the problems of cost overruns and delays that have characterized projects such as modernization of the air traffic control system?
6. As a provider of billions of dollars worth of highway and transit funding to states and cities, DOT has the responsibility to oversee the projects to ensure that they meet standards and the money is spent efficiently. While DOT once focused primarily on getting the funds out to cities and states, it has improved its oversight of highway and transit projects in recent years. However, these projects remain at risk for falling behind schedule and exceeding their budgets. What do you plan to do to improve oversight of large highway and transit projects to prevent these problems, and what, if any, additional requirements should be placed on states and localities to facilitate timely and efficient completion of these projects?
7. Even though the federal government has provided Amtrak with over \$23 billion in operating and capital assistance since 1971, the railroad loses almost \$1 billion a year. Given how costly this program is, what do you see as the future federal role in intercity passenger rail?

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## Department of the Treasury

The Department of the Treasury faces a variety of program and management challenges that affect the successful execution of its broad and complex responsibilities. Although Treasury has made progress in addressing these challenges, several of them are long-standing and will require the Department's continued attention to be successfully addressed.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Treasury*.<sup>14</sup> Additional information about program and management challenges at Treasury and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Modernize the Internal Revenue Service to better help taxpayers meet their tax responsibilities and to increase overall compliance with tax laws
- Improve the U.S. Customs Service's regulation of commercial trade while ensuring that it protects against the entry of illegal goods at U.S. borders
- Achieve sound financial management through significant management attention and priority
- Improve the Bureau of Alcohol, Tobacco and Firearms' performance measures to better determine its progress in reducing criminals' access to firearms
- Improve the management of Treasury's asset forfeiture program

### Potential Questions

1. Until the last few years, Treasury had historically played a limited role in overseeing the Internal Revenue Service (IRS). However, after reports that IRS had wasted billions of dollars in attempting to modernize its information systems, Treasury became more actively involved in overseeing IRS operations. In a June 1997 executive order, the President established a permanent oversight board to assist the Treasury Secretary in ensuring effective management of the IRS, including reviewing its strategic decisions to modernize. The board is chaired by the Deputy Secretary of Treasury. About a year after the President established this board, Congress passed the IRS Reform and Restructuring Act that created an independent nine-member oversight board, which includes the Secretary of Treasury and the Commissioner of Internal Revenue. This oversight board is to oversee the IRS' administration, management, conduct, direction, and supervision of the execution and application of the tax laws. In your view, what is the most appropriate approach for overseeing IRS?

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<sup>14</sup> GAO-01-254, Jan. 2001.



2. Based on your experience, what are some of the likely pitfalls that IRS may encounter as it seeks to implement its major modernization effort that encompasses changes to its organizational structure, business practices, performance management and information technology? What lessons can you share from your experience that may be applicable to IRS' modernization effort?
3. The Departments of Justice and the Treasury continue to operate two similar but separate seized asset management and disposal programs. Currently, the Departments are studying their programs' functions and processes to identify areas of duplication and to assess opportunities for efficiency gains through shared resources and activities. How would you ensure that identified opportunities for efficiency gains are fully integrated into each program's functions and processes?
4. With the passage in 1993 of the Customs Modernization and Informed Compliance Act, or Mod Act, Customs began to focus on informed compliance with trade laws rather than the enforced compliance emphasis of the past. In recent years, however, compliance rates used to measure the effectiveness of the informed compliance strategy have showed no measurable improvement. In late 1999, GAO recommended that Customs develop and implement an evaluation of the effectiveness of its informed compliance strategy. What is the status of the evaluation, and how do you propose to see that the informed compliance strategy effectively ensures that merchandise and persons entering and exiting the United States do so in compliance with U.S. laws and regulations?
5. For several years, concerns have been expressed about the Customs' process for determining the need for inspectors and other personnel to process commercial cargo or land and sea passengers at all of its 301 ports of entry around the country. Customs is developing a resource allocation model that is intended to estimate the number of inspectors and other personnel needed to process passengers and inspect cargo at the ports of entry. How do you plan to use it to ensure that Customs has the proper number and mix of inspectors and other personnel at its ports of entry to efficiently and effectively process passengers and cargo?
6. A key to Treasury's ability to effectively carry out its mission both at the Department level and as fiscal agent for the U.S. government is sound financial management, including preparing information about the government's finances that is routinely available, accurate, and reliable. Treasury continues to face many challenges in its ongoing efforts to improve the accuracy and reliability of its financial and information management systems and correct internal control weaknesses. For example, financial management at the IRS has been on GAO's high-risk list since 1995. Also, the financial management systems at several of Treasury's bureaus do not meet federal financial management systems requirements and cannot provide reliable financial information for managing day-to-day operations and holding managers accountable. What will you do to help Treasury and its agencies and bureaus implement effective financial management systems throughout the agency to improve accountability?

7. As the federal government's central debt collection agency, Treasury provides debt management services to federal agencies for nontax debt over 180 days delinquent owed to the federal government. According to Treasury, this debt totaled about \$59.2 billion as of September 30, 1999. Treasury and other federal agencies face challenges in fully implementing the provisions of the Debt Collection Improvement Act (DCIA). How do you propose to provide management leadership to Treasury as it works toward fully implementing the provisions of DCIA on a phased-in basis over the next few years?
8. In June 2000, GAO reported that it is difficult to determine the Bureau of Alcohol, Tobacco and Firearms' (ATF) progress in enforcing federal laws and regulations relating to firearms and firearms-related violent crimes. ATF's performance measures are generally output rather than outcome measures. What progress has ATF made toward developing outcome measures as recommended by GAO?

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## Department of Veterans Affairs

The Department of Veterans Affairs (VA) estimates that in fiscal year 2000 it spent more than 80 percent of its total budget—about \$42 billion—to provide health care services to 3.6 million veterans and to pay disability compensation and pensions to more than 2.5 million veterans and their families and survivors. Although VA has achieved, through the Veterans' Health Administration (VHA) and the Veterans' Benefits Administration (VBA), many successes in providing health care and benefits to veterans and other beneficiaries, major program and management challenges remain.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Department of Veterans Affairs*.<sup>15</sup> Additional information about program and management challenges at VA and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Ensure timely and equitable access to quality VA health care
- Maximize VA's ability to provide health care within available resources
- Process veterans' disability claims promptly and accurately
- Develop sound agencywide management strategies to build a high-performing organization

### Potential Questions

1. Five years ago, VA embarked on a historic initiative to improve veteran access to care by establishing over 300 community-based clinics. However, it is difficult for Congress and others to gauge VA's progress because it has not developed clear goals and strategies to guide this initiative. It remains unclear, for example, what percentage of veterans continue to experience unreasonable travel times to VA medical facilities, where and when clinics will be opened, and how successful VA's initiative has been in achieving equity of access for veterans systemwide. What is your assessment of VA's strategic planning for major initiatives, such as expanding community-based clinics, and what steps would you take to achieve timely and effective implementation of major initiatives?
2. Two years ago, VA announced that Hepatitis C infection was a serious national problem and launched a major initiative to screen its 4.7 million enrolled veterans for Hepatitis C and provide medical care as appropriate. Last year, congressional hearings indicated that, despite \$580 million in appropriations, VA's progress on this initiative might be slow. Some feel that headquarters' inability to get network directors "on board" is a major factor contributing to this slowness. Top managers'

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<sup>15</sup> GAO-01-255, Jan. 2001.

establishing clear policies and then struggling to get them effectively implemented at the network and local facility levels seems to be a recurring theme within VA. What is your assessment of the pros and cons of VA's decentralized management structure?

3. Recent changes in the way VA delivers health care, the changing demographics of the veteran population, and aging facilities indicate that VA's Capital Asset Realignment for Enhanced Services effort warrants priority. For example, many VA facilities are over 50 years old and require substantial investments to ensure they meet building code and safety requirements; others are underused or inappropriately configured due to VA shifting its emphasis from providing specialized inpatient services to providing primary care in outpatient settings. Moreover, the population of veterans is expected to decrease significantly over the next 20 years. Maintaining unproductive assets siphons financial resources away from providing enhanced medical services for all veterans. In confronting this challenge, how would you address the critical management decisions about whether and how to maintain, renovate, liquidate, or redirect the use of these facilities and grounds?
4. VA allocates funding to its 22 health care networks through an allocation system called Veterans Equitable Resource Allocation (VERA). Reviews of this system have generally concluded that it is more equitable than the incremental funding of facilities that preceded it, although each review has also recommended changes to improve the system. In particular, improvements may be needed to ensure that networks' distribution of VERA resources to their facilities is equitable. Representatives of veterans living in rural areas and in some of the networks losing resources continue to have additional concerns about VERA. VA has made some changes to VERA and is considering others. What are your views on how VA allocates resources for health care, and what improvements would you anticipate making, if any?
5. As part of its effort to "restore the capability of disabled veterans to the greatest extent possible and improve their quality of life," the VBA provides over \$20 billion a year in disability compensation and pension benefits to more than 3 million veterans, family members, and survivors. However, long-standing processing delays have resulted in an increasing backlog of veterans' initial and repeat claims for disability compensation. Between fiscal years 1995 and 1999, the average time for processing initial compensation claims jumped from 161 days to 205 days, and the average time to resolve veterans' appeals of VA's claims decisions continued to exceed 2 years. Recent enactment of the Veterans' Claims Assistance Act of 2000 will further increase workload as VBA readjudicates claims that were denied as not well grounded. Moreover, concerns persist about the accuracy and consistency of decisions among VA's 57 regional offices. At the same time, the expected retirement of more than 1,100 experienced claims adjudicators by 2005 could exacerbate VBA's claims processing problems. What actions would you take to ensure that veterans will receive timely, accurate, and consistent disability claims decisions, particularly in the face of VBA's human capital challenge?
6. The Congressional Commission on Service Members and Veterans Transition Assistance reported in 1999 that VA's and the Department of Defense's (DOD) health

care systems alike face the challenge of adapting to changing health care practices, an evolving patient population, infrastructure built for another era, and increasing health care costs in a time of severe budget pressures. While each system is unique, with separate missions—and each is critical to the nation and its citizens—the Commission concluded that neither system can sustain business as usual. The Commission further concluded that, while significant efforts have been made to establish a cooperative relationship between the two systems, VA and DOD must move towards a true partnership if they are to continue to succeed. The Commission recommended a closer partnership between VA's and DOD's health care purchasing systems to realize the advantages of concentrated large-scale purchasing. With VA's and DOD's health care operating budgets totaling an estimated \$36 billion in fiscal year 2000, what is your long-range vision of VA's health care system and its relationship to DOD's health care system?

7. Since 1996, VA has spent an estimated \$5 billion on information technology (IT) initiatives to help realize its vision of providing seamless service to veterans and their families. VA expects its IT expenditures to increase over the next 5 years from about \$1.5 billion in fiscal year 2001 to more than \$2.1 billion by fiscal year 2005. Information systems across the different components of VA are not integrated, making data sharing difficult and inefficient. Yet VA has not yet implemented an information technology architecture to achieve common standards to help alleviate these problems. Moreover, the position of Chief Information Officer for the Department—required by the Clinger-Cohen Act—remains vacant. What role do you envision for information technology in achieving the Department's "One VA" vision?
8. Serious computer security weaknesses may be placing financial and sensitive information in VA's systems at risk of inadvertent or deliberate misuse, fraudulent use, improper disclosure, or destruction. What specifically do you intend to do to ensure that computer security is improved and that sensitive information is safeguarded?
9. VHA has invested over \$260 million in its Decision Support System, but few of the medical centers are making full use of the system. Given the importance of uniform data across the VA health care system, what actions will you take to ensure that the system is fully utilized?

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## U. S. Agency for International Development

The U.S. Agency for International Development (USAID) faces challenges in human capital management and performance measurement that could affect the efficiency and effectiveness of its assistance programs, including its efforts to provide humanitarian assistance in disaster situations; and programs in democracy, governance, and rule of law. Although USAID has taken steps to address these issues, challenges remain. Human capital management and performance measurement are long-standing issues and will require sustained attention by USAID. The additional challenges that GAO has identified as facing USAID are the agency's long-standing efforts to develop and implement an integrated information management system and improve its financial management system.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Agency for International Development*.<sup>16</sup> Additional information about program and management challenges at USAID and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Human capital management issues impact USAID strategic objectives
- Better performance data could help USAID assess programs and allocate resources
- Additional challenges to building a high-performing organization

### Potential Questions

1. USAID is facing a number of challenges because of staffing reductions resulting from severe budget cuts, increasing attrition due to retirements, and other human capital issues that may affect the agency's ability to effectively carry out its foreign assistance activities. What has been your experience in dealing with human capital issues, and what are your views on how the agency should address these issues?
2. USAID's emphasis has shifted from managing basic human needs projects that address such areas as hunger, illiteracy, and population pressures to being a contract-management and financing agency and must adapt its workforce accordingly. What are your views on how the agency should ensure it has a workforce with the appropriate skills? What has been your experience in determining the use of contract personnel vs. direct hire personnel? Do you believe there is an optimal mix between the two types of personnel? What are your views on how the agency should determine the appropriate mix of U.S. hires vs. foreign national hires?

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<sup>16</sup> GAO-01-256, Jan. 2001.

3. USAID has had difficulties in identifying and collecting data that would enable it to develop reliable performance measures and accurately report the results of its programs. What are your views on the use of performance information to make budget allocation and program decisions? What steps do you believe the agency should take to provide empirically reliable assurance that its programs achieve their program objectives and related targets?
4. USAID continues to face challenges in implementing an integrated information management system and improving its financial management systems that affect its ability to effectively manage its programs as well as ensure that it has adequate internal controls. What has been your experience in implementing information management and financial management systems? What are your views on the actions the agency should take to ensure that it has timely and reliable information to make effective, informed decisions, and that assets are safeguarded given the current challenges?

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### Environmental Protection Agency

The Environmental Protection Agency (EPA) is confronted with several critical program and management challenges in achieving its mission of protecting human health and safeguarding the environment. Such challenges have impeded the agency's multipronged efforts to meet its goals in a cost-effective manner, and overcoming these challenges will require the highest level of management attention and most certainly a long-term commitment.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Environmental Protection Agency*.<sup>17</sup> Additional information about program and management challenges at EPA and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

#### Program and Management Challenges

- Improve environmental and performance information management to set priorities and measure results
- Place greater emphasis on developing a comprehensive human capital approach
- Strengthen working relationships with the states

#### Potential Questions

1. Recent work performed by GAO and EPA's Office of the Inspector General has demonstrated that EPA needs to strengthen access controls associated with its major computer operating systems, enhance computer incident management efforts, and improve security program management and planning. At the same time, these organizations and others have stressed the need for EPA to improve its data collection and integration to help manage environmental programs, suggesting the need for investments in new systems. How will your experience help deal with computer security problems? How would you assure yourself that public funds are being invested wisely in information systems that will best help EPA achieve its mission?
2. Most of EPA's data are provided to the agency by its state partners, which collect the data from regulated industries, from air and water quality monitors, and from other sources. Large gaps in these data make it difficult for EPA to comprehensively assess environmental conditions nationally and thus to measure and report on the results of its efforts to achieve environmental goals. Yet efforts to collect more data are often met with protests by states and regulated industries, citing costs and paperwork burden. How would you balance these competing demands and find effective ways to meet EPA's needs for additional environmental data? How do you think that EPA

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<sup>17</sup> GAO-01-257, Jan. 2001.



can best assess environmental conditions and its performance against strategic goals and objectives?

3. While EPA's work force has grown by about 18 percent over the past decade, the agency lacks a systematic means to determine the number, type, and organizational location of people needed to accomplish its mission. EPA recently developed a human capital strategy to address this and other human resource concerns, such as the agency's aging workforce. How can EPA meet the challenge of obtaining and maintaining the right technical and scientific skills in view of the highly competitive market for these kinds of skills? Do you believe that EPA's highly decentralized organizational structure is appropriate for the agency? If not, what changes do you envision?
4. To an extent perhaps much greater than in other areas of national policy, environmental protection depends heavily on a partnership between EPA and state governments. Throughout its history, EPA has often had stormy relationships with states in their dual effort to implement the nation's environmental laws. Based on your experience, how would you improve partnerships with the states? Particularly, will you continue to have EPA pursue its performance partnership arrangements under the National Performance Partnership System? If so, what changes do you envision for that system in particular?
5. Several years ago, the enforcement function at EPA was centralized into an Office of Enforcement and Compliance Assistance. How well do you think this structure has worked in helping EPA and the states to carry out their enforcement responsibilities? Do you envision any reorganization of the enforcement function at EPA, either at headquarters or among EPA's regional offices?
6. The federal government has spent about \$20 billion to clean up hazardous waste sites in the Superfund program. A majority of the sites in the program are in advanced stages of cleanup—the cleanup remedies have been chosen, are under construction, or are completed. A number of states have strong cleanup programs themselves and have been taking on more of the hazardous waste cleanup workload, especially through their state voluntary programs. How would you assess the future of the Superfund program? To the extent that the federal program will diminish in the future, how would you implement the transition, particularly in terms of funding levels and organizational infrastructure?
7. Reports by GAO and others have shown that state voluntary cleanup programs have been successful in addressing many of the less contaminated brownfield sites across the country. However, fear of being held liable in the future to conduct a cleanup under Superfund rules can discourage some parties from volunteering, limiting the effectiveness of some state programs. How do you envision EPA's better supporting these programs and better coordinating its efforts with other federal agencies that manage programs that also benefit brownfields, such as housing and economic development programs?

8. EPA has administratively established a national Superfund Ombudsman in headquarters and a regional Ombudsman in each of its regional offices. These officials are intended to ensure that the agency adequately addresses public concerns at individual Superfund sites. Recently, allegations have been made that EPA gives inadequate support to the ombudsmen. How do you view the role of the Superfund Ombudsman? As a manager of the Superfund program, how would you ensure the independence of the ombudsman?

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### **Federal Emergency Management Agency**

The performance plan required by the Government Performance and Results Act of 1993 is a tool Federal Emergency Management Agency (FEMA) has used to be more responsive and to address its challenges. The challenges confronting FEMA affect public accountability, disaster cost containment, and program effectiveness.

Additional information about program and management challenges at FEMA and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

#### **Program and Management Challenges**

- Determine the cost-effectiveness of mitigation efforts
- Reduce the cost of disaster assistance
- Improve the financial condition of the National Flood Insurance Program fund

#### **Potential Questions**

1. There has been a growing concern in Congress about the costs of federal disaster assistance. What ideas do you have as to how FEMA might constrain disaster relief spending without placing unfair hardships on the victims?
2. FEMA has acknowledged that rising costs could be due in part to the state and local governments increasingly turning to the federal government for assistance. FEMA has also acknowledged that the current system of disaster relief tends to discourage state and local governments from assuming primary responsibility for initiating appropriate preparedness, response, recovery, and mitigation measures before a disaster strikes. What are your views on the current system?
3. GAO and FEMA's Inspector General have issued a number of reports which outline recommendations for reducing disaster relief cost, including raising the damage threshold for replacing facilities and requiring adequate insurance for public buildings. Are you familiar with these recommendations? If so, which specific recommendations do you think merit further considerations to improve FEMA's management and operations?
4. Some have pointed out that the willingness of the federal government to step in and provide substantial recovery assistance may actually be a disincentive to state, local, and private readiness. What is your assessment of the capabilities of state and local governments to respond to disasters?
5. What are your views on whether FEMA has an adequate system to assess state and local response capabilities?

6. Concerning disaster mitigation, GAO has testified that for a number of reasons, state and local governments may be reluctant to take actions to mitigate natural hazards. GAO cited, among other reasons, local sensitivity to such measures as building code enforcement and land-use planning, conflict between hazard mitigation and development goals, and the lack of an understanding of mitigation and political support. How would you address these issues?
7. FEMA views its Hazard Mitigation Grant Program as the forerunner of a comprehensive family of mitigation approaches. Under the program, projects are required to be cost-effective, and a major component of the program is buyout projects (i.e., property acquisitions). GAO reports and testimony have highlighted the need for FEMA to provide analytical data supporting the cost-effectiveness of buyouts. How will you ensure that these mitigation projects are cost-effective?
8. How will you address the need to improve the financial condition of the National Flood Insurance Fund?
9. FEMA has lead responsibility for coordinating federal emergency management efforts. The process consists of four phases: preparedness, response, recovery, and mitigation. How would you characterize the interagency coordination?
10. FEMA also has lead responsibility for managing the consequences of domestic terrorism-related emergencies. GAO has reported that domestic consequence management exercises were not well developed and that terrorism-preparedness training programs are sometimes duplicative and not well coordinated among the various federal agencies with terrorism-preparedness responsibilities. What goals do you have for improving FEMA's management of terrorism-related emergencies?

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### **General Services Administration**

The General Services Administration (GSA) is one of the federal government's central management agencies. GSA's mission is to provide policy leadership and expert solutions in acquiring services, space, and products at best value to enable federal employees to accomplish their missions. GSA has undergone major reforms and organizational changes in recent years in an attempt to be more responsive to federal agencies' needs and save the taxpayers money. Although GSA has overcome several challenges to become more effective and efficient, other long-standing challenges continue to exist. Some of these challenges have been identified by GAO, GSA management, and the GSA Inspector General and impede GSA's efforts to (1) effectively acquire, preserve, and dispose of real property; (2) provide customer agencies with choice and best value in acquiring goods and services; and (3) improve agencywide performance.

Additional information about program and management challenges at GSA and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

#### **Program and Management Challenges**

##### **Real Property Management**

- Obtain adequate funding to meet capital investment needs
- Resolve problems associated with aging and deteriorating federal buildings
- Protect buildings, federal employees, and the public from security threats
- Eliminate obstacles that impede effective real property disposal
- Work with the private sector to develop creative real property initiatives

##### **Goods and Services Delivery**

- Manage the multibillion-dollar FTS2001 telecommunications contract
- Respond to the changing technological demands of customer agencies
- Develop effective ways to provide goods and services
- Develop strategies to ensure secure information technology systems

##### **Agencywide Performance**

- Improve employee skills to respond to the changing demands of the 21<sup>st</sup> century
- Establish accurate and useful management information systems
- Build a high-performing organization through results-oriented management

### **Potential Questions**

1. GSA was established in 1949 to bring central direction to the federal government's real property and procurement functions. In your view, how well has GSA fulfilled its mission and what is your vision for GSA's future? What objectives would you like to achieve during your tenure at GSA?

2. In recent years, GSA has made a major commitment to reorganization and reinvention—ending its long-standing monopolies, separating its policy and oversight responsibilities from service delivery, revising its structure and improving how it interfaces with agencies, and using private sector practices as benchmarks to reform and assess its activities. What is your opinion of the progress GSA has made, and how will you see to it that GSA sustains these efforts?
3. GSA's Public Buildings Service (PBS) is the largest commercial-style real estate organization in the nation. With resources of about \$6 billion a year, PBS constructs, leases, manages, maintains, and protects various types of federal real property assets. However, PBS faces several challenges, including inadequate funding to meet capital investment needs; aging and deteriorating buildings; and various obstacles that impede effective real property acquisition, management, and disposal. How do you plan to address these challenges? Are there innovative approaches used in the private sector that you would like to see employed by PBS?
4. GSA has implemented a multimillion-dollar security upgrade effort for the 8,300 buildings it controls. GAO has reported on problems associated with this implementation, such as unreliable data on upgrades and insufficient outcome measures. GSA has taken action to correct most of these problems but will nonetheless face a formidable challenge protecting its large inventory of diverse properties. Given the importance of protecting federal employees and buildings, how will you go about determining whether the enhancements in place are adequate and have actually improved protection?
5. As a procurement agent for the federal government, GSA provides a wide range of goods and services to agencies through its Federal Supply Service (FSS) and Federal Technology Service (FTS). Through the supply schedules and other contract arrangements, FSS and FTS have made an effort to be responsive to the diverse and ever-changing demands of customer agencies. What steps will you take to ensure that GSA adds value to the procurement process so that customer agencies can successfully accomplish their missions at least cost to the taxpayer? What changes, if any, would you make to the way GSA has approached procurement reform?
6. GSA has recognized the need to develop different employee skills to support its strategic goals in a rapidly changing environment, in particular because of an aging workforce whose average age is close to 50. In addition, in 1999, we reported that FSS and FTS officials cited the inability to recruit and retain top-level staff as a barrier that impeded their ability to operate in a businesslike manner. What will you do to ensure that GSA has the human capital it will need to accomplish its mission?
7. GSA is working toward measuring its performance in response to the Government Performance and Results Act (GPRA). GSA's GPRA submissions—strategic plan, performance plans, and performance reports—collectively provide a roadmap for GSA's efforts in its broad array of program and policy activities. GAO's work in recent years assessing GSA's GPRA submissions has shown that GSA has made clear

improvements in measuring its performance. Nonetheless, because of its diverse array of activities and the complex and changing environment in which it operates, building and sustaining a result-oriented organization will be an ongoing challenge for GSA. How will you incorporate results management into your day-to-day leadership of the agency?

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## National Aeronautics and Space Administration

The National Aeronautics and Space Administration (NASA) faces challenges to achieve its missions of space exploration and development, the advancement of scientific knowledge, and research and development of aeronautic and space technologies. To achieve those goals, NASA spends more than \$12 billion annually for goods and services—ranging from procurements of expensive space hardware to contracts for research and development-related services. With most of those funds going to outside contractors, businesses, and other organizations, it is exceedingly important that NASA have good control and oversight over its procurement processes and dollars.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: National Aeronautics and Space Administration*.<sup>18</sup> Additional information about program and management challenges at NASA and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Program and Management Challenges

- Correcting weaknesses in contract management
- Controlling International Space Station development and support costs
- Effectively implementing the faster-better-cheaper approach to space exploration projects
- Integrating human capital approach into NASA's workforce management strategies

### Potential Questions

1. GAO has reported that NASA needs an effective and efficient integrated financial management system. Until this system is operational, NASA will not know the full costs of some of its programs. In your view, can anything be done to accelerate implementation of critical systems such as this one without increasing risks?
2. GAO has reported that NASA is continuing to rely on undefinitized change orders—that is, contract changes initiating new work before NASA and the contractor agree on a final estimated cost and fee—to complete work on its largest space station contract. This way of doing business increases the potential for unforeseen cost increases and scheduling delays. How would you limit its use?
3. While we all applaud the recent successes associated with the space station, this program has experienced frequent cost increases and schedule delays. With many more years of development, assembly and operations ahead of us, how would you

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<sup>18</sup> GAO-01-258, Jan. 2001.



introduce more discipline into the space station program to deliver benefits promised to the taxpayers on time and within budget?

4. Congress imposed spending caps on the space station program. What is your experience in successfully implementing large complex programs under strict funding constraints? How will you apply this experience to benefit NASA?
5. In general, what are your views on the faster-better-cheaper philosophy and on NASA's implementation? What would you do differently to avoid failures like the two recent Mars probes?
6. NASA-sponsored investigative boards of the failed Mars probes found that opportunities to identify and resolve problems prior to launch were missed due to poor communications, budget pressures, and poor management and engineering practices. What steps would you take to find an effective way to capture and disseminate lessons learned on an agencywide basis?
7. Human capital problems that NASA currently faces, including workforce challenges (i.e. critical skill shortages and inadequate staffing levels), threaten the safe operations of the shuttle program. Describe your experience dealing with human capital issues. How can NASA guard against the loss of personnel with critical skills? What overall actions would you take to improve the productivity, efficiency, and effectiveness of NASA's staff?
8. In its past annual performance plans, NASA has not adequately addressed human capital management. How would you ensure that NASA's 2002 performance plan includes specific performance measures that will address the human capital challenges associated with the shuttle and other programs across the agency?
9. NASA's X-33 program promises to develop and demonstrate advanced technologies needed for future reusable launch vehicles and significantly reduce launch costs; thus the program is expected to play an important role in NASA's space transportation plans. Despite the fact that NASA made a large investment in the X-33 program—almost one billion dollars—the program experienced a setback due to an important operational test failure of the composite fuel tank. What measures would you take to decide the program's future? How would you ensure the government's best interests are being served in this joint government and industry funded program?

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## Office of Personnel Management

The Office of Personnel Management (OPM) is the central management agency of the federal government charged with administering and enforcing federal civil service laws, regulations, and rules and aiding the President in carrying out his responsibilities for managing the federal workforce. Now is a particularly challenging period for OPM, as the federal government's human capital problems are becoming increasingly urgent and widely recognized. Faced with ever-increasing changes in the social, economic, and technological environments, and with increasing numbers of federal employees eligible to retire, federal agencies are challenged to maintain the human capital needed to meet today's needs and tomorrow's emerging demands. OPM has taken numerous steps to communicate to agencies the importance of aligning human capital with results and has provided a number of tools and opportunities for information exchange to assist them. Characterizing the most appropriate mission and role for OPM, and defining the most effective tools and strategies for accomplishing its goals in a changing civil service, have been long-standing issues facing the agency.

OPM's role in federal human capital management is discussed in *Office of Personnel Management's Fiscal Year 1999 Performance Report and Fiscal Year 2001 Performance Plan*.<sup>19</sup> Additional information about program and management challenges at OPM and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

### Potential Questions

1. GAO has recently identified strategic human capital management as a new governmentwide high-risk area, saying that today's federal human capital strategies are not appropriately constituted to adequately meet current and emerging taxpayer needs in the most effective, efficient, and economical manner possible. In doing so, GAO not only acknowledged recent actions OPM has taken to foster a more results-oriented approach to strategic human capital management across government, but also stressed the important role it should continue to play in promoting human capital improvements. What actions do you think OPM should take to improve human capital management governmentwide?
2. During the 1990s, OPM was downsized, its budget was reduced, and—through delegation and deregulation—its role and mission changed. With today's continued emphasis on human capital flexibilities, OPM's role is likely to continue to evolve. What do you see as OPM's role in the future vis-à-vis agencies and their continuing desires for flexibility in human capital management?
3. The increase in human capital flexibilities across the government raises the issue of oversight of the merit system. What role do you see OPM playing in ensuring that civil service laws and policies are complied with by agencies that, in many cases, are

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<sup>19</sup>GAO/GGD-00-156R, June 30, 2000.

seeking more exemptions from those rules and regulations, and what mechanisms do you envision using to hold agencies accountable?

4. As the chair of the National Partnership Council, OPM has the lead responsibility in its successful implementation. What do you see as OPM's future role in achieving the goal of improved labor-management relations in the government?
5. Federal agencies, like other employers, are faced with balancing demands for mission accomplishment and the fair treatment of their work force. Federal employees are protected from inappropriate, arbitrary, and prohibited personnel practices, but the government's administrative redress system has long been criticized as being overly complex, time consuming, costly, and adversarial. What role can OPM play in improving this system and in helping agencies develop conflict management systems that work to prevent as well as resolve workplace disputes?
6. About half of OPM's staff administer benefit programs (primarily the federal retirement programs), another quarter provide services to agencies on a reimbursable basis, and the remainder perform work paid for through appropriated funds. OPM no longer has the investigation and training functions that it used to have. In order to more efficiently and effectively carry out its mission and accomplish the tasks OPM has established as priorities, what, if any, need is there to reallocate resources within OPM or to contract out additional programs or services?
7. GAO has noted that strategic human capital management is the "missing link" in the federal statutory framework for results-oriented management. What legislative changes, if any, do you believe are needed to improve the federal government's human capital management?

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### Small Business Administration

The Small Business Administration (SBA) is responsible for aiding, counseling, assisting, and protecting the interests of the nation's small businesses and for helping businesses and families recover from natural disasters. SBA is also a financial institution with significant commitments and exposure. As of September 30, 2000, SBA's total portfolio was about \$52 billion, including \$45 billion in direct and guaranteed small business loans and other guarantees and \$7 billion in disaster loans. Since its inception, SBA has, among other things, helped 1.1 million firms get small business loans and has approved 1.4 million disaster loans to individual homeowners, renters, and businesses of all sizes. At the same time, SBA is confronting several major challenges that affect its ability to efficiently deliver services. To its credit, SBA is taking steps to address these challenges. However, many of SBA's planned improvements hinge on its multimillion-dollar, three-phase systems modernization effort. At this point, it is too early to tell whether the systems modernization effort will help resolve SBA's challenges.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Small Business Administration*.<sup>20</sup> Additional information about program and management challenges at SBA and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

#### Program and Management Challenges

- Continue to improve oversight of SBA's lending partners to correct oversight weaknesses
- Focus the 8(a) program on helping firms obtain contracts to increase procurement opportunities
- Strengthen human capital, information technology, budget, and financial management practices to help modernize SBA
- Streamline and automate disaster loan processing to improve timeliness

#### Potential Questions

1. GAO's *Performance and Accountability Series* report on SBA identifies the agency's systems modernization effort as a common thread in solving other management challenges at SBA. Systems modernization is key to SBA's ability to manage its programs and to have integrated budget, accounting and performance information. How would you reinforce the commitment to systems modernization?
2. SBA's need to oversee its lending partners has become more important over the last decade as SBA has shifted more loan-making and servicing responsibilities to private

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<sup>20</sup> GAO-01-260, Jan. 2001.

sector lenders. We understand SBA has demonstrated a commitment to improve its small business lender oversight program by beginning regular reviews of lenders, creating an Office of Lender Oversight, and contracting with the Farm Credit Administration for safety and soundness examinations of Small Business Lending Companies. How do you plan to step up SBA progress in building this capability to oversee its lenders?

3. SBA administers the 8(a) business development program, which is designed to assist small disadvantaged businesses in obtaining federal contracts. GAO's work shows that in fiscal year 1998, 209 of the 6,000 firms in SBA's 8(a) program received 50 percent of the 8(a) contract dollars, and over 3,000 firms did not receive any contracts. What will SBA do to help more firms obtain contracts?
4. GAO has highlighted problems in SBA's management of its human capital, citing the lack of (1) a staffing model to project future staffing requirements, (2) succession planning for its leadership, and (3) a plan for improving training for its employees. Indications are that SBA has made progress through several initiatives to improve leadership succession planning and training for its employees. What initiatives would you take to improve SBA's ability to project future staffing requirements?

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### Social Security Administration

The Social Security Administration (SSA) faces critical challenges in achieving its mission of promoting the economic security of the nation's people by shaping and managing America's Social Security programs. In 1999, SSA paid out over \$400 billion in Old Age and Survivors Insurance (OASI), Disability Insurance (DI), and Supplemental Security Income (SSI). Demand for these benefits is expected to grow over the coming years as the baby-boom generation ages and the life expectancy of Americans continues to lengthen. The source of expenditures for OASI and DI—the Social Security Trust Funds—is expected to be depleted by 2037. At that time, it is estimated that annual tax revenues will cover only 72 percent of the benefit obligations. In addition to the solvency issue, SSA faces additional challenges that will continue to strain agency operations and affect its ability to administer its programs.

The challenges are listed below and are discussed in more detail in the GAO *Performance and Accountability Series* report entitled *Major Management Challenges and Program Risks: Social Security Administration*.<sup>21</sup> Additional information about program and management challenges at SSA and other federal agencies is available on GAO's Transition Web site at <http://www.gao.gov/transition>.

#### Program and Management Challenges

- Play an active research, evaluation, and policy development role
- Improve SSA's disability determination process and return people to work
- Sustain management and oversight of long-standing, high-risk Supplemental Security Income issues
- Better position SSA for future service delivery challenges
- Further strengthen controls to protect SSA information

#### Potential Questions

1. Through its three main programs—OASI, DI, and SSI—SSA touches the lives of virtually every American family. The position of Commissioner for this wide-reaching agency is for a fixed term. At the end of that term, what would you like to have accomplished? What are your top three priorities for the agency?
2. As the nation's expert on Social Security issues, SSA is uniquely positioned to conduct research and analysis to help identify areas where policy changes, sometimes controversial ones, are needed. One example is the need to improve the long-term solvency of the Social Security trust funds and sustainability of the Social Security programs. In your opinion, what role should SSA play in public policy debates on Social Security? How do you intend to work with Congress and other

<sup>21</sup> GAO-01-261, Jan. 2001.

decisionmakers on this issue? What steps would you take to ensure that SSA is at the forefront of important Social Security-related research?

3. Making timely and accurate disability determinations is one of SSA's most difficult service delivery challenges. Even after years of trying to redesign the process, many applicants still have to wait more than a year for a final decision. Additionally, concerns have been raised about the accuracy and consistency of disability decisions throughout the lengthy disability determination process. What actions would you take to reduce processing times and increase the accuracy of disability determinations? What actions need to be taken to ensure that SSA has people with the right kind of skills and knowledge handling a diverse range of disability issues (e.g., claims, appeals, and reviews)?
4. In addition to redesigning this process, SSA has recently begun to focus more attention on return-to-work efforts for current beneficiaries. However, these two efforts have not been integrated to ensure that a needed earlier focus on return-to-work is incorporated into the redesigned determination process. What would you do to address this and how would you hold the agency accountable to ensure that these two efforts are integrated?
5. GAO designated SSI a high-risk program because of SSA's insufficient management oversight and the program's susceptibility to fraud, waste, and abuse. How will you improve the management and oversight of this program to ensure that only those eligible for SSI cash assistance receive it?
6. SSA has long been considered a leader in service delivery. How will you ensure that this level of service continues, given the expected dramatic increase in the demand for service as the baby boom generation ages?
7. SSA's own workforce is aging. Half of its 63,000 employees will be eligible for retirement before 2010. Moreover, the mix of needed staff skills is changing; staff will need more technical and advanced skills in the future. How will you ensure that investments in SSA's human capital will fully support its future approach to service delivery?
8. SSA plans to rely extensively on information technology to help it achieve processing efficiencies and improved customer service. However, the agency has had mixed success with these efforts in the past. Given the future challenges that SSA faces, how do you plan to invest in information technology to provide the agency with the tools and support it needs to cope with these challenges?

9. A recent audit by an independent public accounting firm noted that SSA continues to have problems ensuring that unauthorized access to sensitive SSA information will not occur. What steps do you plan to take to safeguard SSA information and address the internal control weaknesses identified by the audit?

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